



#122-92

June 25, 1992

L.D. GUÉ
Area Manager -
Personnel/Administration

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Messrs. R. C. Farmer
D. F. Knoll
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DM
Cam

Gentlemen:

Vending

Attached is a copy of the new Philip Morris Vending Contract that is effective 7/1/92. Listed below are the changes in their contract:

- o Minimum brands required for payment: 8 brands
- o Maximum brands pay level: 10 brands

<u>Old Contract</u>		<u>New Contract</u>	
<u># Brands</u>	<u>Payment</u>	<u># Brands</u>	<u>Payment</u>
4	11	8	20
5	16	9	30
6	21	10	45
7	28		
8	35		
9+	5.00 ea.		

- o Marlboro Medium is now required in a machine before payment will be issued.

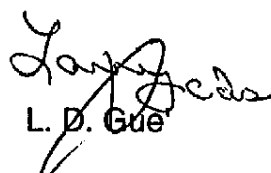

"We work for smokers."

Philip Morris's new Vending Contract is the same payment as our Vending Contract Plan B.

Philip Morris is apparently going to place less emphasis on their vending programs. They will not be trying to place Savings brands under their new contract. This will afford us an opportunity to place Monarch in vending outlets with dual pricing capabilities and take the offensive in this segment.

Please communicate this information to your Managers. ~~Feel free to contact me~~
should you have any questions.

Sincerely,


L. D. Gue

LDG:cds

Attachment

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